

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1466.
FILED, JULY 21st. 1966.

DEER HORN MINES LIMITED

Full corporate name of Company
Incorporated under Part XI of The Companies Act of Ontario by Letters Patent dated December 7th, 1950, and Supplementary Letters Patent dated March 20, 1959
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 1127.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) Sale of 400,000 treasury shares (See Items 6 and 7 hereof) (b) Leased to Mentor Exploration and Development Co. Limited - 30 patented mineral claims in Range IV, Coast District, Province of British Columbia (See Item 20 hereof)																														
2. Head office address and any other office address.	Head Office - Suite 711, 62 Richmond Street West, Mine Office - Cobalt, Ontario.																														
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<table><tr><td>President and Managing Director</td><td>Norman B. Sheriff</td><td>Prospector and Company Executive</td></tr><tr><td></td><td>8 Whitmore Ave.,</td><td>Toronto, Ontario.</td></tr><tr><td>Vice-President and Director</td><td>E. L. Baxter</td><td>Commercial Aerial Photographer</td></tr><tr><td></td><td>21 Burrows Ave,</td><td>Islington, Ontario</td></tr><tr><td>Director</td><td>Irving Dobbs,</td><td>Insurance Agent</td></tr><tr><td></td><td>43 Bellbury Cres.</td><td>Willowdale, Ontario</td></tr><tr><td>Director</td><td>Milton Klyman,</td><td>Securities Executive</td></tr><tr><td></td><td>21 Wembley Road,</td><td>Toronto 10, Ontario</td></tr><tr><td>Secretary-Treasurer and Director</td><td>C. Marshall Hames</td><td>Solicitor</td></tr><tr><td></td><td>55 Otter Crescent,</td><td>Toronto 12, Ontario.</td></tr></table>	President and Managing Director	Norman B. Sheriff	Prospector and Company Executive		8 Whitmore Ave.,	Toronto, Ontario.	Vice-President and Director	E. L. Baxter	Commercial Aerial Photographer		21 Burrows Ave,	Islington, Ontario	Director	Irving Dobbs,	Insurance Agent		43 Bellbury Cres.	Willowdale, Ontario	Director	Milton Klyman,	Securities Executive		21 Wembley Road,	Toronto 10, Ontario	Secretary-Treasurer and Director	C. Marshall Hames	Solicitor		55 Otter Crescent,	Toronto 12, Ontario.
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4. Share capitalization showing authorized and issued and outstanding capital.	5,000,000 shares - Authorized 4,535,005 shares - Issued and outstanding																														
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None																														
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Subject to the acceptance for filing by The Toronto Stock Exchange of this filing statement, by agreement dated the 18th day of July, 1966, the Company sold to Jakmin Investments Limited, Suite 1101, 365 Bay Street, Toronto, Ontario, 400,000 of its shares at the price of twenty cents per share for a total sum of \$80,000.00.																														
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	The only person having a greater than five per cent interest in the capital of JAKMIN INVESTMENTS LIMITED is Paul Penna, 365 Bay Street, Toronto, Ont.																														
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None																														
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	It has been recommended by J. E. Armstrong, B.Sc., P. Eng., the Company's Mine Manager, that milling operations be suspended temporarily in order to concentrate on a basic exploration and development program at the Cross Lake Mine to restore the ore position. This program would take an estimated five months and would cost approximately \$107,500.00. None of the funds received from the underwriting set forth in Item 6 hereof will be used for other purposes, except as set out in this item, until notice has been given and accepted for filing by The Toronto Stock Exchange.																														

10. Brief statement of company's chief development work during past year.	<p>A relatively heavy exploration and development program was maintained during the past year at the Company's Cross Lake Mine near Cobalt consisting of:</p> <table> <tr> <td>Drifting</td><td>1,585.5 feet</td></tr> <tr> <td>Crosscutting</td><td>754.7 feet</td></tr> <tr> <td>Raising</td><td>2,606.9 feet</td></tr> <tr> <td>Diamond Drilling (U.G.)</td><td>37,752.0 feet</td></tr> <tr> <td>Diamond Drilling (surface) . . .</td><td>1,791.0 feet</td></tr> </table>	Drifting	1,585.5 feet	Crosscutting	754.7 feet	Raising	2,606.9 feet	Diamond Drilling (U.G.)	37,752.0 feet	Diamond Drilling (surface) . . .	1,791.0 feet
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Diamond Drilling (surface) . . .	1,791.0 feet										
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable										
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable										
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	675,000 shares escrowed with Chartered Trust Company, subject to release only with the consent of the Ontario Securities Commission, The Toronto Stock Exchange and the Board of Directors of the Company.										
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<p>Silver Regent Mines Limited, 62 Richmond Street West, Toronto, Ontario 599,000 shares</p> <p>R. B. Harrison, Squilax, B. C. 50,000 shares</p>										
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>E. H. Pooler & Co. Ltd., 302 Bay Street, Toronto, Ontario. 68,900 shares</p> <p>Doherty Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario, 59,809 shares</p> <p>Ross Knowles & Co. Ltd., The New North American Life Bldg., 105 Adelaide St. W., Toronto, Ontario 54,700 shares</p> <p>Merrill, Lynch, Pierce, Fenner & Smith, Inc., 11 King Street West, Toronto, Ontario 52,250 shares</p> <p><u>NOTE:</u> The above shares are not beneficially owned by the above to the knowledge of the signatories hereto.</p> <p>Silver Regent Mines Limited, 62 Richmond Street West, Toronto, Ontario 602,500 shares</p> <p>Beneficially owned -</p> <table> <tr> <td>Registered</td><td>599,000 shares (escrowed)</td></tr> <tr> <td>Street names</td><td><u>3,500 shares</u></td></tr> <tr> <td></td><td>602,500 shares</td></tr> </table>	Registered	599,000 shares (escrowed)	Street names	<u>3,500 shares</u>		602,500 shares				
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16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Silver Regent Mines Limited, 62 Richmond Street West, Toronto, Ontario, a Company whose shares are listed on the Canadian Stock Exchange and are widely distributed. Norman Bernard Sheriff is in a position to elect or cause to be elected a majority of the Board of Directors of Silver Regent Mines Limited.										
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<p>20,000 shares of Leitch Gold Mines Limited</p> <table> <tr> <td>Cost</td><td>- \$ 126,830.00</td></tr> <tr> <td>Present market value</td><td>- \$ 100,000.00</td></tr> </table> <p>In June 1966, the Company sold 100,000 shares of Lorado Uranium Mines Limited on the open market and received the net amount of \$128,500.00.</p>	Cost	- \$ 126,830.00	Present market value	- \$ 100,000.00						
Cost	- \$ 126,830.00										
Present market value	- \$ 100,000.00										
18. Brief statement of any lawsuits pending or in process against company or its properties.	None										
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None										

FINANCIAL STATEMENTS

DEER HORN MINES LIMITED

(Incorporated under the Laws of the Province of Ontario)

BALANCE SHEET AS AT MAY 31, 1966

ASSETS

Current Assets

Cash	\$ 40
Metal settlements outstanding and metals on hand, at estimated net realizable value	119,220
Accounts receivable	3,895
	<u>123,155</u>

<u>Investments, at cost (market value \$225,000.00)</u>	<u>296,930</u>
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Fixed Assets

Mining claims and lease, at cost	160,100
Buildings, machinery and equipment (see below)	270,038
	<u>430,138</u>

Other Assets and Deferred Charges

Mine supplies, at average cost	7,055
Prepaid expenses and deposits	9,794
Development and preproduction expenditures	117,585
Incorporation and organization expenses	4,479
	<u>138,913</u>

<u>Total Assets</u>	<u>\$989,136</u>
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Buildings, machinery and equipment have been valued as follows:

At valuation determined by the Board of Directors in 1958, less proceeds from disposals	\$ 34,183
Subsequent additions (less disposals), at cost	235,855
	<u>\$270,038</u>

LIABILITIES

Current Liabilities

Bank overdraft (net)	\$ 1,658
Accounts and payrolls payable and accrued	36,281
Bank loan (secured)	60,000

<u>Total Liabilities</u>	<u>97,939</u>
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Shareholders' Equity

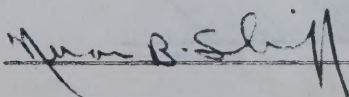
Capital Stock:

Authorized - 5,000,000 shares, par value \$1.00 each	
Issued as Fully Paid - 4,535,005 shares	4,535,005
Less: Discount thereon	2,668,750
	<u>1,866,255</u>

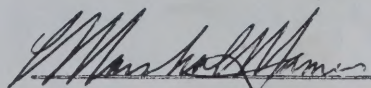
<u>Deficit, per statement</u>	<u>975,058</u>
	<u>891,197</u>

<u>Total Liabilities and Shareholders' Equity</u>	<u>\$989,136</u>
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Approved on behalf of the Board of Directors:

 J. B. Schiff

Director

 J. Marshall

Director

DEER HORN MINES LIMITED

STATEMENT OF DEFICIT

FOR THE FIVE MONTHS ENDED MAY 31, 1966

<u>Balance, January 1, 1966</u>	\$917,628
<u>Add: Net loss for period</u>	<u>57,430</u>
<u>Balance, May 31, 1966</u>	<u>\$975,058</u>

DEER HORN MINES LIMITED

STATEMENT OF OPERATIONS

FOR THE FIVE MONTHS ENDED MAY 31, 1966

<u>Revenue</u>	
Metal production (less smelter and marketing costs)	\$142,740
Interest and dividends	600
Miscellaneous	<u>5,630</u>
	<u>148,970</u>
<u>Operating Expenses</u>	
Exploration, development and mining	141,554
Hauling ore and concentrates	5,132
Milling	34,321
Supervision, mine office and general expenses at property	16,258
Administrative and corporate expenses	7,180
Interest	<u>1,955</u>
	<u>206,400</u>
<u>Net Loss for Period</u>	<u>(57,430)</u>

DEER HORN MINES LIMITED

STATEMENT OF SOURCE & APPLICATION OF FUNDS

FOR THE FIVE MONTHS ENDED MAY 31, 1966

<u>Source of Funds</u>		
Proceeds from sale of equipment		\$ 151
<u>Application of Funds</u>		
Increase in other assets (net)		\$ 2,205
Net loss for period, per statement	\$ 57,430	
<u>Less: Items not requiring a cash outlay:</u>		
Amortization of mine shaft and main haulage ways	<u>6,945</u>	<u>50,485</u>
		<u>52,690</u>
<u>Decrease in Working Capital</u>		52,539
Working capital, January 1, 1966		<u>77,755</u>
Working capital, May 31, 1966		<u>\$ 25,216</u>

DEER HORN MINES LIMITED

Statement of material changes in the items set forth on the balance sheet of the Company as of May 31, 1966, from the date thereof to July 18, 1966.

1. The sale on the open market of 100,000 shares of Lorado Uranium Mines Limited for the net amount of \$128,500.00.
2. The repayment of the Bank Loan out of the proceeds of the sale.

DATED at Totonto, the 18th day of July, 1966, on behalf of the Board.

Wm. B. S. 11
Director

W. Marshall
Director



Deer Horn Mines Limited

Mine Office 4557

Mine 4210

Mill 4725

Box 739

Cobalt, Ontario

July 13, 1966

The President and Directors
Deer Horn Mines Limited
711 - 62 Richmond St. W.
TORONTO 1, Ont.

Gentlemen:

DEER HORN MINES LIMITED INTERIM REPORT

The volume of available ore at the Cross Lake Mine during the past three months continued to decline and it has now reached the critical state where we should suspend milling operations and concentrate on exploration and development. All ore from our stoping operations has been exhausted and the only available feed will be that encountered in exploration and development headings. This can not be expected to provide more than 40 tons per working day possibly less.

For this basic reason, I suggest we suspend milling operations on or about July 28, lay off the production crew and carry a basic exploration and development program to restore our ore position with what funds may be available.

The length of time we suspend milling, will of course depend largely on the success of our development program. An estimate of five months exploration and development could be sufficient to restore the mine to an economic production level.

I suggest we maintain this exploration and development program on the basis of two development headings and one diamond drill machine per shift. An estimate of this monthly cost is as follows:

Exploration and development	500' @ \$30.00 =	\$15,000.00
Diamond Drilling	2,000' @ \$2.50 =	5,000.00
Mill maintenance and contingencies	=	1,500.00
		<u>\$21,500.00</u>
Estimated cost 5 months program		\$107,500.00

Although we have reached a critical point in our operation, the potential of the property has by no means been exhausted. The main exploration should be concentrated on the #40 Vein structure on the 800, 850 and 900 foot levels with some attention directed at extending the #35 Vein system. In addition to these main zones there are several intersections that have never been explored due to production priority. A summary of this basic objective program, covering five months, would be as follows:

Drifting

800' level #40 vein	drifting	500 feet
850' sub-level #40 & #42 veins	"	650 "
900' level #40 & #42 veins	"	650 "
#35 & #44 veins		<u>500 "</u>
5	Total drifting	2,300 feet

Raising

Two incline raises 900' L to 800' L - - - - 300 feet

X-Cutting

To explore intersections - - - - - 200 feet

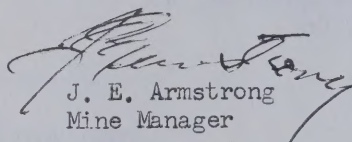
Diamond Drilling

Two machines @ 1,000 feet - - - - - 10,000 feet

There is good reason to believe this exploration program can be carried in ore for a portion of the development and the conversion back to stoping operations would be rapid.

Yours truly,

DEER HORN MINES LIMITED


J. E. Armstrong
Mine Manager

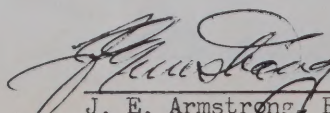
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CERTIFICATE OF QUALIFICATIONS

Cobalt, Ontario
July 13, 1966

With reference to the Securities Act of Ontario and the report prepared by me for Deer Horn Mines Limited dated July 13 on the Cross Lake Property in the Cobalt Area of Ontario, I hereby certify that:

- (a) My office address is the Inch Block, Box 197, Cobalt, Ontario.
- (b) I hold the degree of Bachelor of Science in Mining Engineering from Queen's University, Kingston, Ontario.
- (c) I am a member of the Association of Professional Engineers of Ontario.
- (d) I have no personal interest either directly or indirectly in the property holdings or in any of the securities of Deer Horn Mines Limited nor do I expect to receive any such interest.
- (e) I have been Manager or Consulting Engineer for Deer Horn Mines Limited on the Cross Lake Property for the past seven years.
- (f) This report is based upon the following qualifying information:
 - 1. Personal examination and direction of the exploration and production programs at the property for the past seven years.
 - 2. Knowledge and observation that this property and at least eight other properties have responded to similar programs under similar conditions.
 - 3. Lifetime association with the Area and practical experience in the Area for the past twenty years as Mine Super, Manager and Consulting Engineer.


J. E. Armstrong, B.Sc. P.Eng.
Consulting Mining Engineer.

20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.

By Agreement dated the 18th day of July, 1966, the Company (hereinafter referred to as the Lessor) leased, with certain rights to acquire its rights in Thirty (30) patented mining claims in Range IV Coast District, Province of British Columbia, (known as the Lindquist Lake claims) to Mentor Exploration and Development Co. Limited, Suite 1101, 365 Bay Street, Toronto, Ontario, (hereinafter referred to as the "Lessee").

The agreement is subject to the acceptance by The Toronto Stock Exchange of filing statements of each of the parties thereto. The said claims are leased to the Lessee for a term of five years and six months from the date of the agreement for a consideration of Two Thousand (\$2,000.00) dollars on the following terms and conditions:

1. The Lessee covenants and agrees

(a) To pay to the Lessor fifteen per cent (15%) of all net profits (after taxation thereof) derived from the sale of all mineral deposits and ores mined or extracted from the said claims by the Lessee;

(b) To expend on or with respect to exploration, development and mining operations on the said claims a minimum of

(i)	initial 18 months	-	\$ 25,000.
(ii)	next 12 months	-	\$ 50,000.
(iii)	next 12 months	-	\$ 60,000.
(iv)	next 12 months	-	\$ 80,000.
(v)	next 12 months	-	\$ 100,000.

Subject to its right to terminate the lease on 30 days prior notice in writing in which case it will be liable for the above expenditure to the date of termination pro rated to the date of termination and subject to the acquisition of the said claims as hereinafter set forth.

2. In the event the Lessee shall bring a mine into production within the meaning of the Income Tax Act of Canada during the term of the lease, then from that date, the Lessee will not be obligated to make any further expenditure on or with respect to exploration, developments and mining operations on the said claims and shall be entitled to a conveyance thereof from the Lessor; the lease shall terminate, the Lessee shall become the owner of the said claims and the Lessor shall be entitled only to the portion of net profits set out aforesaid.

3. In the event the Lessee does not remedy a failure to carry out a condition of the agreement within three months after notice of such default by the Lessor, the agreement shall be automatically terminated.

4. In the event the Lessee does not bring a mine into production at or prior to the expiration of the term of the lease the Lessee shall have the right to renew the term of the lease for a further three (3) year period upon giving 30 days written notice to the Lessor if such renewal term is required for the purpose of bringing a mine into production.

The Lessee is a public company whose shares are widely distributed. However, Temple Growth Fund Limited (in which Paul Penna is the principal shareholder) and Sudbury Contact Mines Limited are known to have shareholdings that when combined are sufficient to materially effect control of the Lessee.

The treasury shares underwritten (Item 6) will be in the course of primary distribution to the public.

The Company has requested the voluntary delisting of its shares from the board of the Canadian Stock Exchange. There are no other material facts other than as contained in this filing statement.

CERTIFICATE OF THE COMPANY

DATED July 18, 1966.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

DEER HORN MINES LIMITED

"N.B. Sheriff"

CORPORATE
SEAL

"C.M. Hames"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

JAKMIN INVESTMENTS LIMITED

"P. Penna"

"J. Geller"

TORONTO STOCK EXCHANGE

AMENDING STATEMENT NO. 335.
FILED DECEMBER 8th, 1966.

DEER HORN MINES LIMITED

Full corporate name of Company

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement No. 1513 dated October 27, 1966

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.	1. Change of Head Office 2. Change in Board of Directors 3. Report on Development Plans 4. Reporting change of control
2. Head office address and any other office address.	The head office is now located at Suite 503, 365 Bay Street, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	As referred to in the Filing Statement amended herein the Board of Directors of the Company has been reconstituted following the change in control of the Company referred to in the Filing Statement and herein in the amendment to item 16 and as the Board is constituted the following Officers and Directors of the Company are:- GEORGE ERNEST BUCHANAN, Mining Executive, President and Director, 10 William Morgan Drive, Toronto, Ontario. ARTHUR JOHN FORTENS, Accountant, Vice-President and Director, 972 Eglinton Avenue East, Toronto, Ontario. FRANK CADESKY, Broker-Dealer, Secretary-Treasurer and Director, 767 Spadina Road, Toronto, Ontario. NORMAN WILLIAM LAMPORT, Civil Servant, Director, 147 Sylavn Avenue, Scarborough, Ontario. NORMAN BERNARD SHERIFF, Prospector and Company Executive, Director, 8 Whitmore Avenue, Toronto, Ontario.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to carry out work on its Cobalt mining claims in implementation of the recommendations contained in the accompanying Reports of James E. Armstrong, Consulting Engineer, dated November 9th, 1966 and December 16th, 1966, and as indicated in the latter of Mr. Armstrong's said Reports, such development work is costing approximately \$22,000 per month. It is estimated that two months further work will see completion of the program recommended by Mr. Armstrong, following which a further decision will be made by the Company as to the nature and extent of additional development work. Funds in the Company's treasury, until the Toronto Stock Exchange is otherwise advised, will be used for such purposes and for general administrative expenses.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Silver Regent Mines Limited, 365 Bay Street, Toronto, Ontario, as the holder of 602,500 shares of Deer Horn Mines Limited is in a position to materially affect control of the Company. Patricia Silver Mines Limited, 365 Bay Street, Toronto, Ontario, is in a position to materially affect control of Silver Regent Mines Limited. So far as the Company is aware the only persons having a greater than 5% interest in Patricia Silver Mines Limited are: Julius Karosen, 6440 Wenonga Road, Shawnee Mission, Kansas City, U. S. A. and Frank Cadesky, who is now a Director of the Company. Each of the foregoing own 400,000 escrowed shares of Patricia Silver Mines Limited.
Statement of any other material facts and if none, so state.	There are no other material facts. So far as the Company is aware its shares are not presently in course of primary distribution to the public.

DATED December 16, 1966.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

DEER HORN MINES LIMITED CORPORATE
"G.E. Buchanan" President SEAL
"F. Cadesky" Secretary

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

ENGINEER'S REPORT

JAMES E. ARMSTRONG, B. SC. P. ENG.

MINING ENGINEER

November 9, 1966

The President and Directors
Deer Horn Mines Limited
711 - 62 Richmond St. W.
TORONTO 1, Ont.

Gentlemen:

DEER HORN MINES LIMITED INTERIM PROGRESS REPORT

The following report is intended to summarize and appraise the exploration progress over the past three months at your Cross Lake Mine and to recommend any adjustments to the program outlined on July 13 if that may be so indicated.

SUMMARY

The program to date has met with a good measure of success. Due to labor shortages the monthly development footages have been lower than projected but the budgetary costs are about as anticipated.

At the 900' level, the #40 Vein proper has been developed for 470 feet. The vein remains very strong throughout this length. Three new branch veins #48, #50 and #51 have been encountered branching off to the south of this main structure. All three branch veins contain silver and cobalt mineralization and have been opened up for a total of 100 feet so far. The greater portion of #40 Vein was carried in Keewatin tuffs with minor base metal wallrock mineralization. The last 120 feet was carried in almost massive sulphides with zones of copper, lead and zinc occurring in irregular pattern. The chalcopryrite was particularly massive in zones up to five feet wide more or less centred on the vein structure. A three foot width of chalcopryrite and pyrrhotite averaged 8% copper. Further drilling and sampling will be carried out to evaluate this base metal occurrence.

Crosscutting east toward the silver intersections east of the shaft has progress 40 feet toward its target of 82 feet. At the 850' sublevel, #40 and #42 Veins were developed for a continuous length so far of 390 feet. #42 Vein has been a little disappointing with heavy cobalt and low silver values being the pattern. Drifting on #40 Vein has been better with the heading just now in highgrade silver about four inches wide.

An incline raise was driven up on #42 Vein to the 800' level and remained in good ore for the last 30 feet.

The following is a tabulated summary of progress:

	Program	Completed	Balance
Drifting (feet) 800' level #40 Vein	500.0	Nil	500.0
850' sublevel #40 & #42 Veins	650.0	390.0	260.0
900' level #40 & #42 Veins	650.0	470.0	180.0
#35 & #44 Veins	500.0	60.0	440.0
Raising (feet) 900' level to 800' L.	300.0	75.0	225.0
X-Cutting & Drifting (feet)			
To explore new intersections	200.0	100.0	100.0
Diamond drilling (feet)	10,000.0	4,600.0	5,400.0

CONCLUSIONS AND RECOMMENDATIONS

The exploration and development program has been reasonably successful so far but the developed ore position is not yet sufficient to warrant reopening the mill.

Diamond drilling indications are that exploration should be concentrated in the general area of #40 Vein System in a zone about 500 feet wide.

An exploration program to outline the base metal enrichment zone should be carried out.

The present program should be accelerated in order to return the mine to production as soon as possible.

Yours truly,

J. E. Armstrong, B.Sc. P. Eng.
Consulting Engineer

JLA:af

JAMES E. ARMSTRONG, B. SC. P. ENG.
MINING ENGINEER

December 16, 1966

The President and Directors
Deer Horn Mines Limited
711 - 62 Richmond St. W.
TORONTO 1, Ont.

Gentlemen:

DEER HORN MINES LIMITED
INTERIM PROGRESS REPORT

The following report amends, supplements or brings up to date the progress report on the Cross Lake Mine dated November 9, 1966 relating to the program outlined on July 13.

SUMMARY

#40 Vein west heading, continued in fair silver ore for 32 feet at which point the vein entered massive sulphides and the silver values dropped.

Raising on #40 Vein from 900' level to 850' sub was carried continuously in fair ore with muck samples averaging 26 ounces/ton.

Crosscutting east of the shaft encountered two one-inch cobalt veins with low silver values. The ore on this structure appears to be below the 900' level.

Diamond drill hole #54,8 intersected a 2.5 foot silver section which averaged 42 ounces over 2.5 foot width. This intersection lies about 110 feet ahead of #40 Vein west heading at the 900' level horizon.

The following is a tabulated progress summary:

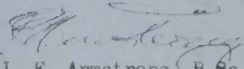
		<u>Program</u>	<u>Completed</u>	<u>Balance</u>
Drifting (feet)	800' level	500.0	Nil	500.0
	850' sublevel			
	(#40 & #42 Veins)	650.0	486.0	174.0
	900' Level			
	(#40 & #42 Veins)	650.0	470.0	180.0
	(#35 & #44 Veins)	500.0	121.0	379.0
		<u>Program</u>	<u>Completed</u>	<u>Balance</u>
Raising (feet)	900' level to 800' level	300.0	193.0	107.0
X-Cutting & Drifting				
	To explore new inter-			
	sections	200.0	150.0	50.0
Diamond drilling (feet)		10,000.0	6,137.0	3,863.0

CONCLUSIONS AND RECOMMENDATIONS

The program has developed a modest quantity of silver ore but the resumption of milling should be delayed an additional two months if such economics are possible.

The present scaled program is costing approximately \$22,000.00 per month.

Yours truly,


J. E. Armstrong, B.Sc. P.Eng.
Consulting Engineer.

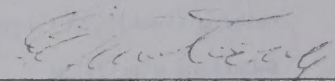
JEA:af

CERTIFICATE OF QUALIFICATION

Cobalt, Ontario
December 16, 1966

With reference to the Securities Acts of Ontario and Quebec and the report prepared by me for Deer Horn Mines Limited dated December 16, 1966 on the Cross Lake Property in the Cobalt Area of Ontario, I hereby certify that:

- (a) My Office address is the Inch Block, Box 197, Cobalt, Ontario.
- (b) I hold the degree of Bachelor of Science in Mining Engineering from Queen's University, Kingston, Ontario.
- (c) I am a member of the Association of Professional Engineers of Ontario.
- (d) I have no personal interest either directly or indirectly in the property holdings or in any of the securities of Deer Horn Mines Limited nor do I expect to receive any such interest.
- (e) I have been Manager or Consulting Engineer for Deer Horn Mines Limited on the Cross Lake Property for the past seven years.
- (f) This report is based upon the following qualifying information:
 - 1. Personal examination and direction of the exploration and production programs at the property for the past seven years.
 - 2. Knowledge and observation that this property and at least eight other properties have responded to similar programs under similar conditions.
 - 3. Lifetime association with the Area and practical experience in the Area for the past twenty years as Mine Super, Manager and Consulting Engineer.


James E. Armstrong, B.Sc. P.Eng.
Consulting Mining Engineer.